(4)

G. R. S. 58]

Previous references.

B 12-14 467
12-14 1367
19-13 25-a

1915-16
(G. F.)

File No. 58-15

Serial Nos. 2a

Later references.

G. F. 58-15 & 647, b.
" April 16.
C & I 34-16 (1, 2, 3, 4, 647)

G. 23

GENERAL AND REVENUE SECRETARIAT.

Serial No. 2a

Part B for Septr to June 1915

SUBJECT.

Report on the Audit of the accounts of the Mysore Bank for the half year ending 30th June 1915.

Sl. 2a. From
The Dewan
Submits the report on the Audit of the accounts of the Mysore Bank for the half year ending 30th June 1915.

W D 1351—GPB—20,000—13-12-15.

M. Ramachandra Rao
14-2-16.

G. R. S. 11] 1915-16

GENERAL AND REVENUE SECRETARIAT.

(S.F.).

NOTES.

File No. 58-15

FILE HEADING.

Report on the Audit of the accounts of the Mysore Bank for the half-year ending 30th June 1915

From

No.	Dated	Received

Diary No.	Enclos.	Spare Copies.	Serial No.

BRIEF ABSTRACT OF LETTER.

NOTES AND ORDERS.

1 P.D.O

NOTES—First Sheet.

GPB.—20 006—8-8-14

Je. Mis. S. No. 136 of 1915

S.F. 58-15-1a

Report on the Audit of the accounts of the Mysore Bank for the half year ending 30th June 1915.

- - -

As directed I went to the Mysore Bank from the 1st to the 6th instant and examined its accounts for the first half of the calendar year 1915 along with Mr. Ross of Messrs Fraser and Ross Chartered Accountants.

2 A printed copy of the Balance Sheet and the Profit Loss Account for the period is put up. It was verified with the books of the Bank and found to agree. The cash balance and investments were examined as also the securities held against loans, cash credits and overdrafts. The Bank's godowns containing articles against which advances had been made were also visited. For the affairs of the agencies, certified statements from the agents were examined.

3 The conditions imposed by Government, that the Bank should not engage in operations connected with Foreign Exchange, that money should not be

	1st half-year.	2nd half-year.	3rd half-year.	4th half-year
Total Assets.	Rs 10,38,115	Rs 25,89,384	Rs 33,22,125	Rs 41,26,979
Loans, cash credits, Bills discounted etc.	Rs 5,10,885	Rs 15,07,343	Rs 20,44,281	Rs 27,56,149
Fixed, current etc. deposits received from the public.	Rs 1,43,288	Rs 6,90,447	Rs 13,88,979	Rs 20,32,794
Gross Profits.	Rs 9,841	Rs 49,316	Rs 69,098	Rs 92,054
Nett profits.	Rs 2,891	Rs 31,092	Rs 45,260	Rs 65,255

5. Out of the nett profit of Rs. 65,255 the Directors propose to pay an interim dividend of 6 % per annum absorbing Rs.30,000 and to transfer to the Reserve Fund the sum of 25,000 which is more than 25 % of the nett profits which under Article 64(p) of the Articles of Association should be takne to the credit of the Reserve Fund account. This sum is also more than the grant in aid by Government which may be taken at about Rs.17,950 as worked out below:--

Grant in aid towards expenses.	5,000
Interest at 4½ % per annum the rate allowed to fixed deposits by the Bank on the interest -- free deposit of 5 lakhs.	11,250

Difference between interest on interest-bearing deposit at 4½ % and the concession rate of 3½ % -- about.		1,700
	Rs.	17,950

6 A few remarks will be added on the several items appearing in the Balance Sheet and the Profit and Loss Account .

Capital. Rs.10,00,000:-- Only half the authorised capital has been collected, leaving the other half to remain as a sort of reserve to fall back upon when necessary, in accordance with the general practice of all joint stock - Banks.

Mysore Government Deposits.Rs.10,00,000:-- The full amount of the deposit promised by the Government has been drawn. In the last half-year's balance sheet only 8,77,550 is shown as having been drawn.

Fixed Deposits. Rs.13,85,623:--There has been a steady increase in the amount of Fixed Deposits received. It is found that no fixed

7L. this 13-2-1915

5

fixed deposits have been received in any of the agencies.

Reserve Fund. Rs.25,000 have been taken to the credit of this Fund in previous half-years and now the Directors propose to add a further sum of Rs.25,000 to it ~~being~~ bringing the total to half a lakh.

Contingency Fund. Rs.2,500: This is also a reserve Fund, as its name implies.

Cash and investements.Rs.13,51,408: The un-invested cash is somewhat large but indicates that loans etc. are given on conservative lines.

Loans, Cash Credits etc. Rs.23,44,144: Nearly 9½ lakhs out of this amount represent loans etc. advanced by the agencies and the balance relates to the Head Office. The loans and cash credits are given on conservative lines. and are well secured. The sums lent to Directors or their firms are comparatively small.

Bills discounted. Rs.4,12,005:Many of the Bills discounted are mere 'accomodation' bills

F. Nos 2436/1369/19

bills and not regular 'trade' bills.

The Establishment and other charges during the last three half-years were as follows:-

Half-year ending 30th June 1914. Rs.18,223

31st Decr.1914. Rs.23,837

30th June 1915. Rs.26,799

Taking into consideration the Volume of business done and the increased profits realised, the small increase on charges has to be regarded as unavoidable.

Hrz

S Shamdasani
22.7.16

Comptroller)

A satisfactory report. Submitted for perusal.

HB
4/8

593
5.8.16

Dewan)

Seen. The report is a very lucid document.

On page 5, reference is made to loans lent to Directors or their firms - I shall be glad to know what these amount to in the aggregate - Both names & amounts may be given.

GKV.

16.8.16

Details of advances to Directors or firms in which a Director is a partner as on 30 June 1915

Name of Debtor.	Surety or security held by Bank.	Amount Due.	Remarks
	Overdraft.		
Ahmed Sait.	P/note in his favor drawn by P. A. Sattar & Co. & endorsed over by letter to Bank	Rs 9129	
P. A. Sattar & Co.,	P/note for Rs 25000 & Collateral security consisting of: 165 Bank shares at Par: Rs 8250; 450 Mysore Tannery " 4500; Lien over firms Stock in trade & 12750	Rs 22,370 13 4	
K. M. Abdus Subhan & A. Habibulla.	P/note in favor of P. A. Sattar & Co for Rs 3000 & endorsed over by letter to Bank with deposit of title deeds of debtors properties	Rs 2733 10	
L. Sreenivasa Iyengar	Temporary.	2012 4 3	Lien over 50 Bk Mysore Shares
	Loans.		
Margapuram & Co.	O/D p/note Signed by M. Chengiah chetty & M Sriramulu with deposit of Coffee in Bank's godown worth Rs 6472	8084 5 2	
	Cash Credit.		
M. Sreeramulu	O/D joint pronote by the borrower & M. Chengiah chetty	4665 14	
Singri Nanjappa.	O/D p/note for Rs 20,000 with guarantee of manager Basappa	6000	
	To amt as shown in Balance sheet	Rs 46779 7 9	

For THE BANK OF MYSORE Ltd.,

Manager.

16 August 1915

7. M. 1. 7 19.5

ED

The Bank of Mysore Ltd.

TELEGRAPHIC ADDRESS:-
"MYSOREBANK."
CODE - 6TH EDITION A.B.C.

ALL COMMUNICATIONS TO BE ADDRESSED TO THE MANAGER.

No. 80

Bangalore 16 August 1915

My/16/8/15

Dear Mr. Shamanna

I have yours of date, No 74 870, and as desired send you the particulars asked for in respect of the two items of Rs 46,779.7.9 & Rs 30.350 appearing in our Balance Sheet.

Yours Sincerely

Mgr

S. Shamanna Esq
C. & R. Secretariat

FOURTH REPORT OF THE DIRECTORS

OF

THE BANK OF MYSORE, LIMITED,

FOR THE HALF YEAR ENDED 30TH JUNE 1915.

The Directors have pleasure in submitting to the shareholders an interim Balance Sheet and Profit and Loss Statement as at 30th June 1915. The Auditors report is also annexed.

The result of the Bank's working for the half year is a surplus of Rs. 65,255-4-4 which added to the balance brought forward from 31st December 1914 makes Rs. 65,309-5-3 as the sum available for distribution and which the Directors have disposed of as follows:—

	Rs.	a.	p.
To pay an interim Dividend at the rate of 6 per cent per annum on the paid up capital, absorbing	30,000	0	0
To transfer to Reserve Fund account	25,000	0	0
To be carried forward to next account	10,309	5	3
Total ...	65,309	5	3

During the past six months the demand for money was satisfactory and the funds of the Bank were profitably utilized.

The Dividend will be payable on and after the 16th August 1915.

By Order of the Board,
W. C. ROSE,
Manager.

Note.—Dividend Warrants will be posted to shareholders unless instructions are received to the contrary before the 10th August 1915.

The Bank of Mysore, Limited.

REPORT OF THE DIRECTORS FOR THE HALF YEAR ENDED 30TH JUNE 1915.

NOTICE IS HEREBY GIVEN, that an interim dividend for the half year ended 30th June 1915 at the rate of 6 per cent per annum on the paid up capital of the Bank will be payable and posted to all Registered Shareholders *on the 16th August 1915.*

By Order of the Board,
W. C. ROSE,
Manager.

AVENUE ROAD,
BANGALORE CITY,
15th July 1915.

W. D. 41, Govt. Press, Bangalore--1915—2,000 copies.

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THE BANK OF

BALANCE SHEET AS

LIABILITIES.

Capital—				Rs.	A.	P.	Rs. A. P.
Authorised 20,000 shares of Rs. 100 each				20,00,000	0	0	
Subscribed 20,000 shares of Rs. 100 each on which Rs. 50 per share has been called up							10,00,000 0 0
Deposits—							
Mysore Government Deposits				10,00,000	0	0	
Fixed deposits				13,85,623	8	4	
Savings Bank and Prudential deposits				43,899	1	1	
Current and other accounts				6,03,271	11	7	
							30,32,794 5 0
Unclaimed Dividends							1,375 10 0
Reserve Fund							25,000 0 0
Contingency Fund							2,500 0 0
Profit and Loss Account—							
Balance as per last Balance Sheet				45,648	8	11	
Less transferred to Reserve Fund ...	12,500	0	0				
,, ,, Dividend account	29,794	8	0				
,, ,, Contingency Fund	2,500	0	0				
,, ,, Bonus to Staff ...	800	0	0	45,594	8	0	
Balance				54	0	11	
Add—Profit for half year to date				65,255	4	4	
							65,309 5 3
							Rs. 41,26,979 4 3

K. P. PUTTANNA CHETTY,
M. CHENGIAH CHETTY,
B. K. GARUDACHAR,
B. P. ANNASAWMI MUDALIAR,
} *Directors.*

REPORT OF THE AUDITORS TO THE SHARE

We report that we have examined and compared the Balance Sheet of the Bank of Mysore, Limited, as at 30th J Agencies and have obtained all the information and explanations we have required.

In our opinion such Balance Sheet is drawn up in conformity with the Provisions of the Mysore Companies Reg and explanations given to us and as shown by the books and returns of the Company.

BANGALORE, *7th July 1915.*

PROFIT AND LOSS ACCOUNT FOR SI

EXPENDITURE.

	Rs.	A.	P.
To Establishment...	12,981	3	9
,, Agencies Commission	7,122	6	7
,, Directors and Auditors Fees	1,815	8	0
,, Office Rent	1,093	10	10
,, Stationery	1,288	12	2
,, Depreciation on Furniture	450	10	6
,, Advertisements and Printing	527	0	0
,, Postage and Stamps	750	5	5
,, Telegrams and other miscellaneous expenses	769	8	7
,, Balance carried to balance sheet	65,255	4	4
	Rs. 92,054	6	2

MYSORE, LIMITED.

AT 30TH JUNE, 1915.

ASSETS.

	Rs.	A.	P.	Rs.	A.	P.
Cash and Investments—						
Cash at Head Office and Agencies	2,69,830	8	0			
Cash with other Banks	2,37,926	15	11			
Cash at Mysore Government Treasuries	4,85,409	7	4			
Cash at short call at Mysore Government Treasuries ...	64,025	0	0			
On Fixed Deposit with Eastern Bank, Ltd., Bombay ...	2,60.356	4	0			
Rs. 35,000 India Government 3½ per cent Paper ...	32,359	13	5			
Rs. 1,500 Mysore Government 4 per cent Loan ...	1,500	0	0			
				13,51,408	0	8
Loans, Cash Credits and Overdrafts—						
Debts considered good for which the Bank holds bills or other securities	22,58,748	12	2			
Debts considered good for which the Bank holds no security being temporary overdrafts	38,616	0	0			
Debts considered good due by Directors or firm in which a Director is a partner	46,779	7	9			
				23,44,144	3	11
Bills Discounted—						
On account of public	3,81,655	1	0			
On account of firms in which a Director is a partner ...	30,350	0	0			
				4,12,005	1	0
Bank Property, Office Furniture, and Safes				13,986	10	3
Books and Stationery				5,435	4	5
Rs.				41,26,979	4	3

W. C. ROSE, *Manager.*

HOLDERS OF THE BANK OF MYSORE, LIMITED.

une 1915 and above set forth, with the books and accounts as kept at Head Office and with the certified returns from the

lation 1895 and exhibits a true and correct view of the state of the Company's affairs, according to the best of our information

FRASER & ROSS,
Chartered Accountants. } *Auditors.*

X MONTHS ENDING 30TH JUNE, 1915.

RECEIPTS.

	Rs.	A.	P.
By Interest, Commission, Discount, and Exchange, after allowing for rebate on Bills not matured and Interest to Depositors	87,054	6	2
By Mysore Government contribution (received)	5,000	0	0
Rs.	92,054	6	2

Report on the Audit of the accounts of the Mysore Bank for the half year ending 30th June 1915

As directed, I went to the Mysore Bank, from the 1st to the 6th instant & Examined the accounts for the first half of the Calendar year 1915. Along with Mr Ross of Messrs Fraser & Ross Chartered Accountants.

A printed copy of the Balance Sheet & the Profit & Loss Account for the period is put up. It was verified with the books of the Bank and found to agree. The Cash balance and investments were Examined

as also the securities held against loans, Cash credits & overdrafts. the Bank's godowns containing articles against which advances had been made were also visited. For the affairs of the Agencies, Certified State- ments from the Agents were Examined.

The conditions imposed by Govt that the Bank should not ~~enter into~~ engage in operations connected with foreign Exchange. that money should not be lent on the sole security of immoveable property and that at least fifty per cent of the Bank's available funds should be employed within the limits of the Mysore State including the C & M Station, Bangalore have been observed.

This is the fourth half year of the Bank's existence and a steady progress is visible in the published balance sheets. disclose a steady progress in the Bank's affairs. The assets of the Bank amount to more than forty one and a quarter lakhs. It has received from the public fixed deposits to the extent of Rs 13,85,623 and has lent to the public in the shape of loans, cash credits, bills discounted etc to the sum of Rs 27,56,129. Agencies have been opened in seven places and a nett profit of Rs 65,255 has been realised in the half year. The following figures placed in juxta position, indicate the steady growth of the Bank

	1st half year.	2nd half year	3rd half year	4th half year
Total Assets	10,38,115	25,89,384	33,22,125	41,26,979
Loans, cash credits, & Bills Discounted	5,10,885	15,07,343	20,44,281	27,56,149
Fixed & Current & other deposits received from the public	1,43,288	6,90,447	13,88,979	20,32,794
Gross Profits	9,841	49,316	69,098	92,054
nett profits.	2,891	31,092	45,260.	65,255.

Out of the net profit of 65,253, the Directors propose to pay an interim dividend of 6% per annum absorbing 30,000 Rs and to transfer to the Reserve Fund the sum of 25,000, ~~which~~ is more than 25% of the net profits which under which 64(h) of the Articles of Association Shall be taken to the Credit of the Reserve Fund account. This sum is also more than the grant in aid by Govt which has been taken about 17,950 ~~Govt~~ has worked at Rs out below:-

Grant in aid towards Expenses	5,000.
Interest at 4½% per annum the rate allowed to fixed deposits by this Bank on the interest free Deposits of States.	11,250

Difference between Interest on interest bearing deposit at 3½% ... 1700.
and the concession rate of 3½% abated ...

Rs 171 950.

A few remarks will be added on the several items appearing in the Balance Sheet & the Profit & Loss Account

Capital. Rs 10,00,000

Of this only half the authorised Capital has been collected, leaving the other half to remain as a sort of reserve to fall back upon when necessary, in accordance with the general practice of all Joint Stock Companies.

Myore Govt Deposit 10,00,000

The full amount of the deposit promised by the Govt has been drawn.

In the last half years balance sheet only 8,77,550, is shown as having been drawn.

Fixed Deposits 13,85,623. There has been a steady increase in the amount of fixed Deposits Received. It is

found that no fixed deposits
have been received in
any of the Agencies. The attention of the
Bank will have to be drawn to this
& attract deposits.

Reserve fund Rs 25,000 have been taken to the credit of this
fund in previous half years
and now the Directors propose
a further sum of Rs 25,000
to add to it bringing the total to
half a lakh.

Contingency fund, 2,500. This
is also a reserve fund, as its
name implies.

Cash investments, 13,61,400.
The cash in hand
uninvested Cash is somewhat
large but that is indicative
of the conservative
lines on which loans
are given.

Loans, Cash credits &c 23,44,144.

Nearly a ½ lakhs out of this
amount represents loans
etc advanced by the Agencies
and the balance relates to Head office

The loans and Cash credits are given on Conservative lines and are ~~steps are taken to get~~ well secured. The sums ~~of~~ lent to Directors & their firms are ~~not~~ Comparatively ~~few~~ small.

Bills discounted Rs 2,42,000.

~~The~~ Many of the bills discounted are mere 'accomodation' bills and not regular 'trade' bills. This ~~feature~~ undesirable feature cannot perhaps be entirely eliminated in the present ~~circumstances~~ circumstances.

~~The working Expenses~~

The Establishment & other Charges ~~have~~ during the last three half years were as follows: —

Half year ending		
~~31st Dec~~ 30th June 1914.	Rs	18,223
31st Dec 1914.	Rs	23837
30th June 1915.	Rs.	26,799

Taking into consideration the Volume of business done and the increased

Profits realised, the slight increase in Charges cannot be regarded as high. have to be regarded as unavoidable.

H.E.
21.7.15